



DENVER
THE MILE HIGH CITY

1. Del Norte Amendment
2. Mariposa IV Contract
3. Emanuel Grant LLC Amendment

Health, Safety, Education & Services Committee

1/7/2014

1. Del Norte: Avondale Apartments

Location: 3275 W. 14th Avenue (Colfax & Irving)

Contract Entity: Del Norte Neighborhood Development Corporation

Purpose:

- To provide funds for the acquisition of vacant land for the construction of an 80 unit affordable rental development adjacent to childcare facilities, light rail stops, bus lines and the new Denver Public Library.

Background:

- Avondale site originally purchased by Urban Land Conservancy using funding from the Denver TOD Fund in 2011.
- Del Norte awarded \$1,000,000 in NSP 2 funds from the OED for soft costs related to acquisition and construction of the Avondale Apartments; this award represents 5.26% of the total NSP2 allocation received by the City.
- Avondale will provide 80 units of affordable rental housing from households earning between 30% - 60% of the Area Median Income.

Del Norte: Avondale Apartments



3275 West 14th Avenue

Avondale Apartments

Residential Units:

<u>Unit type</u>	<u>30% AMI</u>	<u>40% AMI</u>	<u>50% AMI</u>	<u>60% AMI</u>
1 Bedroom/1 Bath	2	10	11	22
2 Bedroom/2 Bath	2	5	8	15
3 Bedroom/2 Bath	0	0	2	3

Commercial:

- Sunshine Academy, a licensed day-care provider, will lease 4,036 square feet of interior space and 1,515 square feet of exterior space and will provide day care services for children from infancy to six years of age. Residents of Avondale will be able to enroll their children here as well as families in the neighborhood.
- Del Norte will move its offices to the site.

Avondale Apartments: Original Loan & Amendment

Loan Amount: \$1,000,000

Interest Rate: 0%

Term: 30 Years

Collateral: Second Deed of Trust

Repayment:

- No payments during the Low Income Housing Tax Credit Compliance period-15 years
- Loan re-evaluated at the end of LIHTC period
- Maximum interest rate of 3% upon loan re-cast
- Maximum amortization is 30 years upon loan re-cast
- Loan due in its entirety 30 years from date of execution of Promissory Note and Deed of Trust

Proposed Amendment (Council Action Item):

Increase the allowable amount of senior debt for construction loan and permanent mortgage

- Increase principal amount of construction loan from \$12M to \$13M
- Increase principal amount of permanent mortgage from \$3M to \$3.75M
- Both increases are necessary due to increase in construction costs

2. Denver Housing Authority: Mariposa IV

Location: Mariposa Phase IV- 10th & Navajo/Mariposa

Contract Entity: Denver Housing Authority

Purpose:

To allow for the execution of a loan agreements between the City and County of Denver and the Denver Housing Authority for the construction of 77 unit mixed income rental property.

- 18 units replacement public housing
- 34 units affordable at 50%-60% Area Median Income
- 24 units at market rate

Background:

- \$800,000 contract last installment of a \$4.6M commitment made by the City
- Period of affordability is 30 years
- Total project cost is \$19,657,780

Denver Housing Authority: Mariposa IV Performance Loan

Loan Amount: \$800,000

Interest Rate: 0%

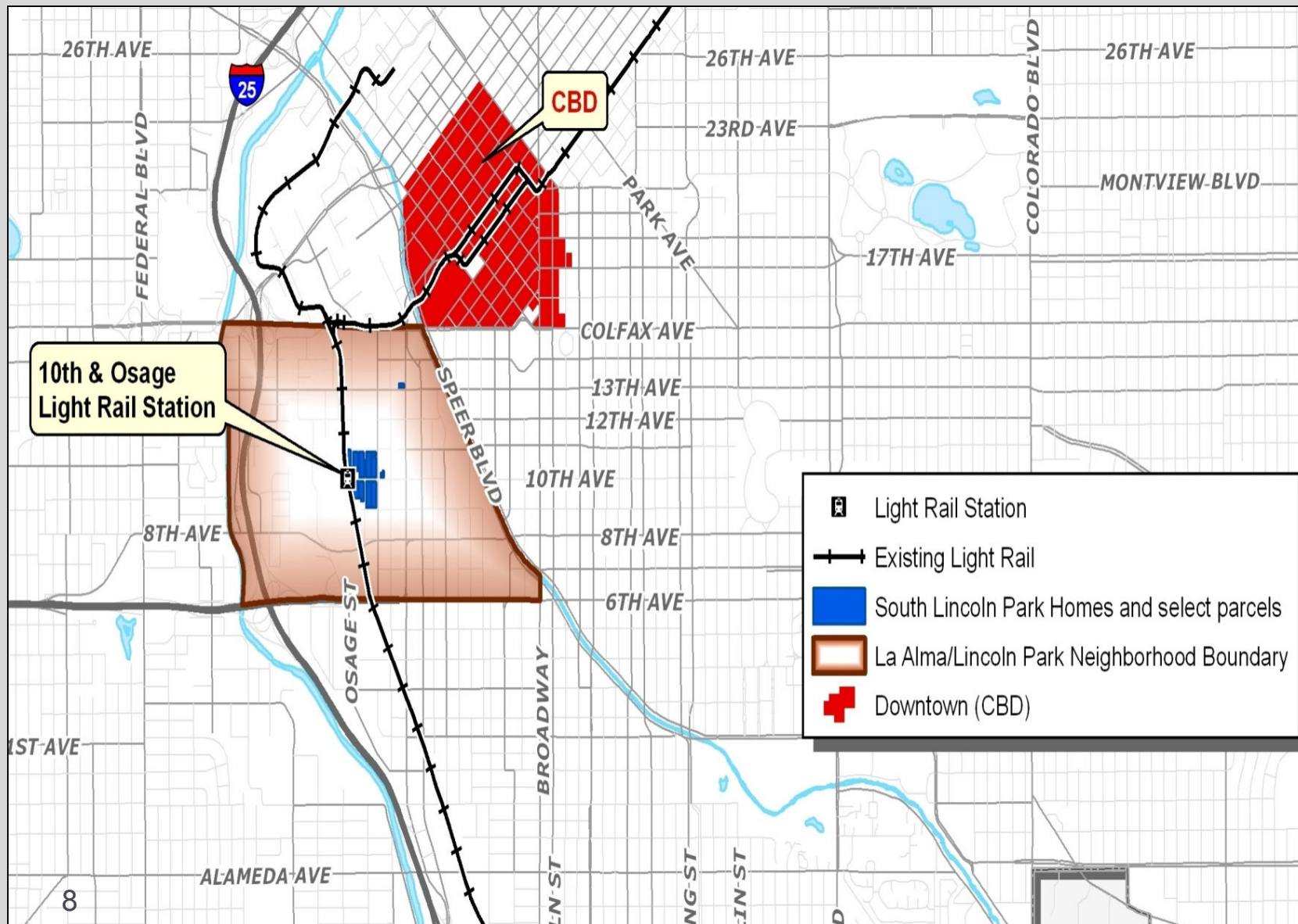
Term: 30 Years

Repayment:

- No repayment as long as the terms and conditions of the loan agreement, the Deed of Trust, Promissory Note, and Rental and Occupancy agreement are satisfied

Background: South Lincoln Homes Public Housing Site

La Alma/Lincoln Park Neighborhood, Denver, CO



South Lincoln Homes – 2009

Physical Distress: concentrated poverty and physical distress



Spillover into adjacent areas - 2009

Physical Distress: not displaying attributes of a livable community



Community Outreach: in 2009 - 2010

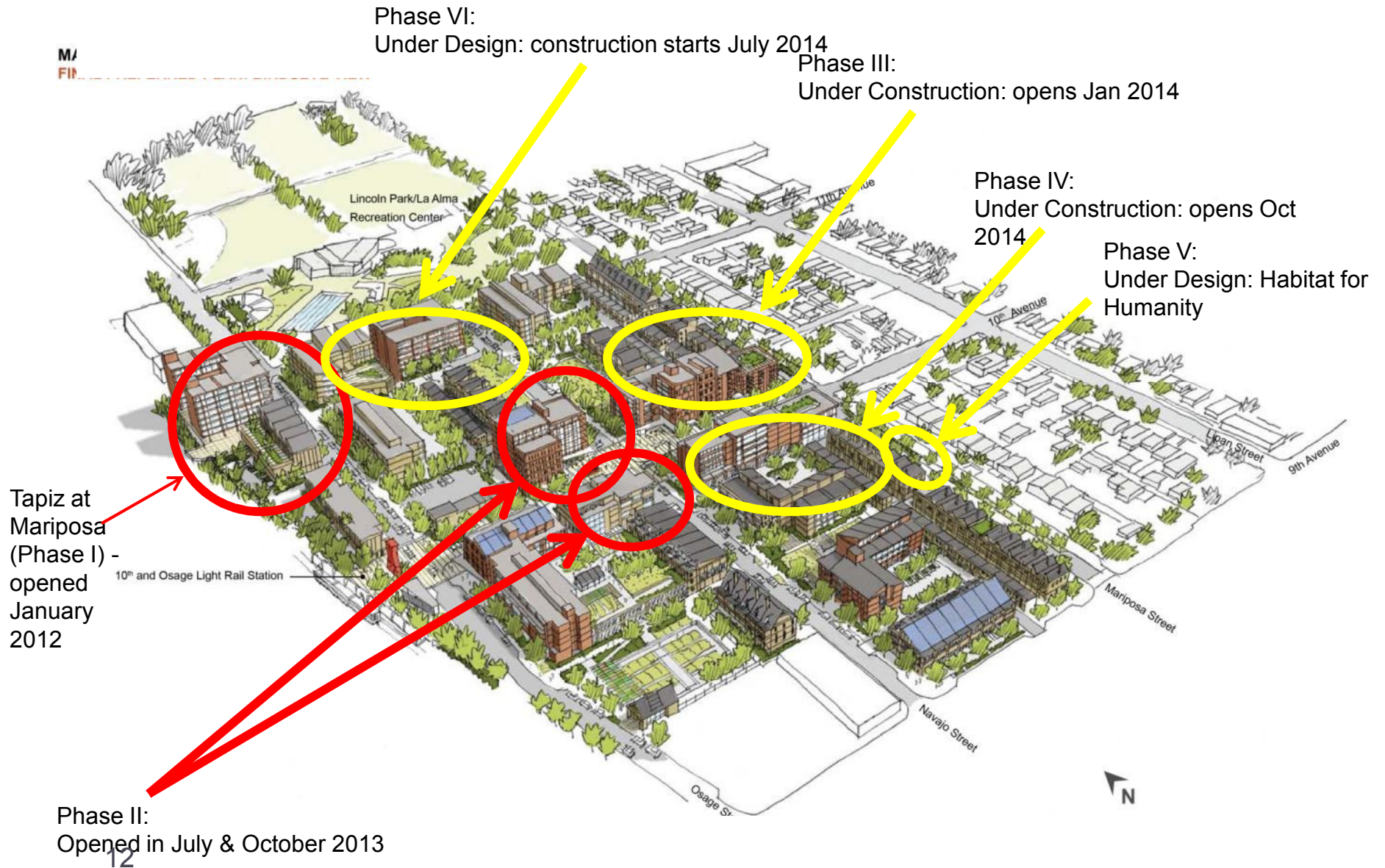
140 + community meetings or group interviews to review goals, concerns, concept options and site amenities for the South Lincoln Redevelopment Master Plan.

12 Steering Committee meetings to review comments by the community, troubleshoot design ideas and offer guidance to the Master Plan.

Over 550 comments received. Comments received at each of these meetings were used by the Steering Committee and design team to shape the GOALS, DESIGN of the plan, community amenities, location of community spaces and ideal phasing concepts.



Mariposa Redevelopment Today



The Redevelopment today.....



The first phase of the redevelopment is now a completed building!
(Tapiz at Mariposa – 100 units of senior/disabled housing) opened in January
2012 and is fully occupied

The Redevelopment today.....



The second phase of construction is open!

- ▶ 14 (93 mixed-income family units with commercial ground floor space)

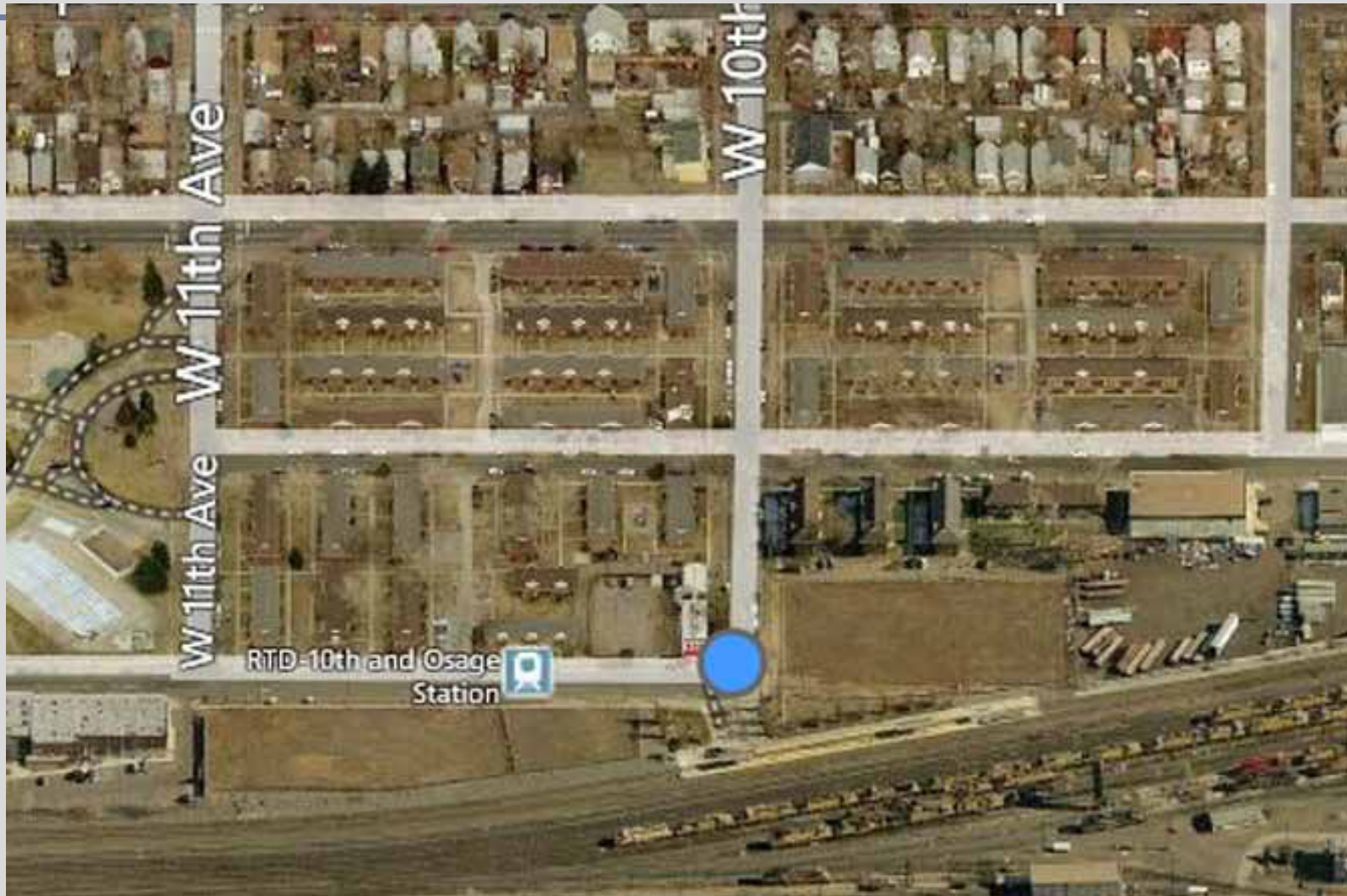


The third phase of construction began in September 2013
(87 mixed-income family units that opens in late December 2013)



The fourth phase began construction in July 2013
(77 mixed-income family units that open in fall 2014)

The Redevelopment site in 2009.....



The Redevelopment today.....



3. Emmanuel Grant Company LLC: Residences at Capitol Heights

Location: 1350 Grant St.

Contract Entity: Emmanuel Grant Company LLC

Purpose:

To allow the project's owner to refinance the tax-exempt bonds that were issued by the City with a taxable HUD/FHA loan and to pay off an Office of Economic Development HOME loan. HUD requires the Tax Regulatory Agreement to be amended and re-subordinated. The City's land use restrictions will be re-subordinated to HUD's land use restrictions and use requirements

Background:

1999 City issued a total of \$17.435M in FHA insured multifamily housing revenue bonds and a \$200K HOME loan to Emmanuel Grant Company for the Residences at Capitol Hill

- Residences at Capitol Heights consists of 145 total units, 65 of which are affordable income restricted units
- Rental restrictions will remain in place until 2032
- The project received a design award from the American Institute of Architects (AIA) and a "Best-of-Denver" award from *5280 Magazine*

1350 Grant Street



13th Avenue & Grant

Emmanuel Grant Company LLC: Residences at Capitol Heights

Proposed Amendment (Council Action Item):

Amend the existing Tax Regulatory Agreement so that City's existing land use restrictions are re-subordinated to the HUD requirements as is necessary to allow the Emmanuel Grant Company to refinance its current outstanding debt with a FHA loan.